

Sunset Public Hearing Questions for
Board for Licensing Alarm Systems Contractors
Created by Section 62-32-306, *Tennessee Code Annotated*
(Sunset Termination June 2020)

1. Provide a brief introduction to the board, including information about its purpose, statutory duties, staff, and administrative attachment.

The Tennessee Alarm Systems Contractors Board provides uniform procedures and qualifications throughout Tennessee for the certifying, licensing, and regulation of alarm systems contractors and to protect the safety and security of persons and property by assuring the competence of individuals or companies offering alarm systems and services to the general public. The board conducts investigations and compliance inspections regarding alleged violations in order to determine if certified companies, licensees, and registrants are complying with statutes, rules, and regulations and to document unlicensed activity. The board may deny, suspend, or revoke any certification, license, or registration issued to any applicant or licensee who fails to satisfy the requirements of the licensing law or rules.

Administrative Staff:

One (1) Executive Director**

One (1) Administrative Assistant RB3

Two (2) Administrative Assistant RB2

** Salary and job duties are shared with three (3) other security related boards:

Locksmith Licensing Program, Private Investigation and Polygraph Commission, and Private Protective Services.

Administrative Attachment:

The Tennessee Alarm Systems Contractors Board is administratively attached to the Division of Regulatory Boards in the Department of Commerce & Insurance.

2. Provide a list of current members of the board and explain how membership complies with Section 62-32-306 and 62-32-308, *Tennessee Code Annotated*.

Vivian Hixson, Board Chair, Chattanooga, TN, Public Member, Expires 12/31/2019

John Keith Harvey, Vice Chair, Jackson, TN, Expires 12/31/2022

William Scott Cockroft, Secretary, Memphis, TN, Expires 12/31/2022

Douglas Fraker, Knoxville, TN, Expires 12/31/2020

Louis F. Richard, Knoxville, TN, Expires 12/31/2021

The board consists of five (5) members, appointed by the governor. At least one (1) member shall be a person who is not engaged in the contracting business in any county of this state. The remaining members of the board shall be alarm systems contractors as defined in T.C.A. § 62-32-303, all of whom shall have been actively engaged in the business for a period of no less than four (4) years preceding their appointment and may

be appointed from lists of qualified persons submitted by interested burglar and fire alarm organizations, including, but not limited to the Tennessee Burglar and Fire Alarm Association. No more than two (2) members of the board shall be residents of the same grand division of the state. In making appointments to the board, the governor shall strive to ensure that at least one (1) person serving on the board is sixty (60) years of age or older and that at least one (1) person serving on the board is a member of a racial minority. Each member of the board shall be at least twenty-five (25) years of age and of good moral character.

Each member shall be of recognized standing in the alarm contracting business; provided, this does not apply to the member who is not engaged in the business of alarm contraction.

The terms of members shall be for five years and shall be staggered so that the term of at least one (1) member shall expire each December 31.

In the event of death, resignation, or failure of a member to serve the member's full term, the member's successor shall be appointed to serve the balance of the unexpired term. Each member shall hold over after the expiration of the member's term until the member's successor has been duly appointed and qualified. If vacancies occur on the board for any cause, the vacancies shall be filled by appointment of the governor within ninety (90) days.

No person shall be eligible for appointment on the board who is not a qualifying agent , provided that this shall not apply to the member who is not engaged in the business of alarm contracting. At least two (2) of the members of the board shall be qualifying agents employed by a certified contractor who has fewer than seven (7) employees.

The governor may remove any member of the board for official misconduct, incompetency, willful neglect of duty, or demonstrated lack of good moral character by conduct that would disqualify an applicant from being registered under this part.

3. Are there any vacancies on the board? If so, please indicate how long the position has been vacant and explain steps that have been taken to fill any vacancies.

There are no vacancies on the board at this time.

4. Has the Governor, under the authority granted in Section 62-32-308(e)(1), *Tennessee Code Annotated*, removed any members for official misconduct, incompetency, willful neglect of duty or demonstrated lack of good moral character by conduct that would disqualify an applicant from being registered?

One (1) board member was removed for misconduct in 1999 for violation of T.C.A. 62-32-308...failure to maintain Alarm Qualifying Agent License.

5. How many times did the board meet in Fiscal Year 2018 and to date in Fiscal Year 2019? How many members were present at each meeting? Please note meetings where the board did not have a quorum.

FY 2018 Seven (7) meetings were held.

Meeting Date	Members Present
August 18, 2017	4
October 19, 2017	5
December 7, 2017	3
January 17, 2018	4 Teleconference
February 22, 2018	4
April 19, 2018	4
June 28, 2018	4

FY 2019 Seven (7) meetings were held to date.

Meeting Date	Members Present
August 23, 2018	5 Declaratory Order Hearing
August 23, 2018	5
August 24, 2018	4
October 18, 2018	5
December 6, 2018	5
February 21, 2019	5
April 11, 2019	4

6. What per diem or travel reimbursements do board members receive? How much was paid?

T.C.A. § 62-32-310(f) provides, “Board members shall serve without compensation but shall be entitled to reimbursement for travel expenses, to be paid in accordance with the comprehensive travel regulation promulgated by the commissioner of finance and administration and approved by the attorney general and reporter.”

Current per diem in Nashville, TN is \$179 night for hotel, \$61 per day meals and incidentals, and \$0.47 per mile.

7. What per diem or travel reimbursements do board members receive? How much was paid to board members in Fiscal Year 2018 and to date in Fiscal Year 2019?

FY2018 - \$9,689.99

FY2019 - \$7,096.74 to date

8. What were the board’s revenues and expenditure for Fiscal Year 2018 and to date

in Fiscal Year 2019? Does the board carry a fund balance? If yes, please provide additional relevant information regarding the fund balance.

FY2018 Revenue: \$559,218

FY2018 Expenditure: \$295,054

FY2019 Revenue: \$446,747 (estimated FY19: \$623,283)

FY2019 Expenditure: \$341,630 (estimated FY19: \$443,925)

Board Reserve Fund Balance FY18: \$2,108,268

Board Reserve Fund Balance FY19: \$2,213,385

9. Is the board subject to Sunshine Law requirements (Section 8-44-101 et seq., *Tennessee Code Annotated*) for public notice of meetings, prompt and full recording of minutes, and public access to minutes? If so, what procedures does the board have for informing the public of meetings and making minutes available to the public? Does the board allow for public comment at meetings? Is prior notice required for public comment to be heard?

Yes. Digital video recordings are made of board meetings and posted on the board website, and minutes are transcribed and kept in the board office. Board meetings are scheduled one (1) year in advance, the notice and agenda are posted on the board website, and public notice is given in compliance with the “Sunshine Law”. The board allows for public comments at meetings and provides a sign-in sheet for this purpose.

10. Please describe what policies and procedures the board has in place to address potential conflict of interest by board members, staff, and employees.

Annual conflict of interest statements are required for all board members, and conflict of interest is addressed during the board member orientation. All staff members are required annually to sign a conflict of interest form.

11. Has the board promulgated rules as authorized by Section 62-32-307(a) and (g), *Tennessee Code Annotated*? If yes, please cite the reference.

Original rules became effective February 28, 1993. Amendments were made in 1994, 1996, 1998, 2004, 2009 and 2012. Reference Chapter 0090-1 through Chapter 0090-5.

12. What were the board’s major accomplishments during Fiscal Year 2018 and to date in Fiscal Year 2019?

The board has the ability to issue licenses, disseminate information, and file complaints in a more efficient and timely manner. Applicants can apply or renew online offering a quicker turnaround to receive a license. Licensees and the public can also sign up for email or text alerts on Notifications.

13. What actions has the board taken to accomplish the requirements set out in Section 62-32-307(c), *Tennessee Code Annotated*, to determine minimum qualifications or establish minimum education, experience, and training standards for applicants for certifications and licenses?

The board has promulgated rules for employee applicants relative to standard criminal background checks, and also for transfer and termination notice requirements. Criteria have been established for qualifying education, continuing education and alarm employee training. Licensees and applicants can access this information on the board website.

14. How many applications for licensing, certification, or registration did the board receive during Fiscal Year 2018 and to date in Fiscal Year 2019? Of those, how many licenses, certifications, and registrations were granted? How many were denied and what were the primary reasons for denial? How many licenses, certifications, or registrations were suspended or revoked during the same period? What is the fee for each type of license, certification, or registration?

FY 2018: Alarm Companies (503)
Qualifying Agents (744)
Registered Employees (9,313)

Total of all applications: 10,560

337 denied for material misstatement and/or failure to provide requested information.

FY: 2019: Alarm Companies (344)
Qualifying Agents (497)
Registered Employees (15,602)

Total of all applications: 16,443

316 denied for material misstatement and/or failure to provide requested information.

FY18: 1 suspended for child support

FY19: -0-

Fees:

(a) Company Certification	\$600	Renewal	\$250
(b) Qualifying Agent	\$300	Renewal	\$100
(c) Registered Employee	\$100	Renewal	\$ 75

15. Section 62-32-307(e), *Tennessee Code Annotated*, requires the board to conduct investigations regarding alleged violations and make evaluations as may be necessary if certified companies, licensees and registrants under this part are in compliance. The board may also investigate allegations regarding unregistered persons and shall seek enforcement under Section 62-32-320. Subsection (f) allows the board to investigate

allegations regarding improper inadequate or ineffective alarm system installations and seek enforcement under Section 62-32-320, *Tennessee Code Annotated*. How many investigations were undertaken by the board during Fiscal Year 2018 and to date in Fiscal Year 2019? What were the results of those investigations?

FY2018 - TOTAL (67)

FY2018 - Dispositions - 46 closed with no action, 13 letters of warning, 4 no jurisdictions, 2 open (unresolved), 2 consent Orders (\$100 for failure to register employee within allotted timeframe, and \$1,000 for employing unlicensed technician)

FY2019 – TOTAL (38)

FY2019 – Dispositions – 25 closed with no action, 1 referral to outside agency, 1 letter of warning and 11 open

16. Section 62-32-320, *Tennessee Code Annotated*, permits the board to pursue civil remedies at law or equity to restrain or enjoin any unauthorized practice or other violation of the statutes of the board is charged with enforcing and further permits the imposition of civil penalties by the board. How often and to what extent has the board exercised these powers?

(1) One for \$1,100

17. Has the board entered into any reciprocal agreements with other states as authorized in Section 62-32-307(k), *Tennessee Code Annotated*? How many such agreements have been entered into?

T.C.A. §62-32-307(k) grants the board the ability to enter into reciprocal agreements with other states whose laws are similar; provided, other state's laws provide for liability insurance coverage, background checks, and education or experience equal to or greater than Tennessee. To date, no other state has shown interest in such an agreement.

18. What reports does the board prepare concerning its activities, operations, and accomplishments? Who receives copies of these reports? Please provide a link to any such reports issued in Fiscal Year 2018 and to date in Fiscal Year 2019.

Monthly reports are provided to the Assistant Commissioner. The board website contains license requirements and applications, laws and rules, meeting calendars, disciplinary reports, complaint forms with instructions, and frequently asked questions.

19. Please describe any items related to the board that require legislative attention and your proposed legislative changes.

There are none at this time.

20. Should the board be continued? To what extent and in what ways would the absence of the board affect the public health, safety, or welfare of the citizens of Tennessee?

Yes. The procedures and qualifications for certification, licensure, and registration were put in place to protect the safety and security of persons and property by assuring the competence of individuals or companies offering alarm systems and services to the general public.